



KPI ENCYCLOPEDIA

A Comprehensive Collection of KPI Definitions for

RETAIL SALES



Table of Contents

Retail Sales KPI Encyclopedia

Retail Sales Metric Definitions

Retail Sales	2
Merchandising	4
Store Planning	8
E-Commerce	10
Inventory Management	17
Store Operations	23

This content may not be copied, distributed, republished, uploaded, posted or transmitted in any way without the prior written consent of OpsDog, Inc.

Retail Sales

Retail Sales

Retail Sales

Merchandising

Store Planning

E-Commerce

Inventory Management

Store Operations

Companies operating within the retail industry sell consumer goods (includes food, clothing, recreational items, etc.) to customers through multiple channels of distribution (brick-and-mortar storefronts, e-commerce websites, direct mail catalogs, etc.). “Retailers,” a term typically applied where a company fills the small orders of a substantial number individuals (i.e., end-users) rather than large orders of a small number of wholesale, corporate or government clientele, are seen as the final link in the supply chain between manufacturers and consumers. Department stores, grocery stores and supermarkets, warehouse retailers, specialty retailers, convenience retailers, discount retailers, mobile retailers and e-commerce retailers (e.g., Amazon) all form part of the retail industry. Retailers are responsible for attracting customers to their retail locations (physical or web-based), providing an enjoyable shopping experience, and maintaining adequate inventories to meet customer demand. Retailers today are investing heavily in e-commerce strategies, not only to broaden their geographic reach, but to also keep up with advances in digital technologies and customer expectations, which have continued to transform the way that consumers search for and purchase goods of all types.

Retail Sales

KPI Encyclopedia

Quality

- **Foot Traffic** – The total number of customers that walk into a retail store over a certain period of time.

Revenue

- **Customer Lifetime Value (CLV)** – The average amount of revenue generated throughout the company's relationship with a single customer. Average length of customer retention, average transaction value, and average number of transactions per year (per customer), as well as a few other optional variables, are used to calculate this metric.
- **Sales Growth** – The percent change in total sales generated by the company over a certain period of time (daily, weekly, monthly, quarterly).
- **Sales per Linear Foot of Shelf Space** – The total dollar amount of sales generated by the store over a certain period of time divided by the linear feet of shelving in the store.
- **Sales per Square Foot** – The total dollar amount of sales generated by the company divided the number of square feet of retail space managed by the company over the same period of time.



Merchandising

Retail Sales

Retail Sales

Merchandising

- Product Display
- Promotions
- Pricing

Store Planning

E-Commerce

Inventory Management

Store Operations

The Merchandising function is in charge of the physical layout of retail stores and determining ways to drive sales and profits as high as possible. Responsibilities of the Merchandising function include planning product displays, creating coupons and promotions, arranging shelves to maximize sales, negotiating shelf space with vendors and developing pricing strategies. The Merchandising function also performs market research on buying trends and works with the Purchasing function to decide which goods should be sold in the store.



Merchandising

KPI Encyclopedia

Cost

- **Advertising Expense (Direct Channels) as a Percentage of Total Revenue** – The advertising expense incurred by the company through direct channels (phone, email, direct mail) divided by the total revenue generated over the same period of time, as a percentage.
- **Advertising Expense (Traditional Channels) as a Percentage of Total Revenue** – The advertising expense incurred by the company through traditional channels (TV, radio, print, outside ads) divided by the total revenue generated over the same period of time, as a percentage.
- **Cost per Rewards Point** – The cost incurred by the company for each rewards point used by loyalty/rewards program customers over a certain period of time.
- **Cost-per-Click (CPC): Display Ads** – The average cost of a single click for an ad being run through a display ad network over a certain period of time. Segment by keyword, product and audience.
- **Customer Acquisition Cost (CAC): All Channels** – The total marketing and sales expense (wages, advertising spend, overhead) incurred (through all channels) divided by the number of new customer acquired through all available marketing channels over the same period of time.

Cost (Cont.)

- **Customer Acquisition Cost (CAC): Cable Television** – The total cost of cable television marketing campaigns divided by the number of new customers acquired through the cable TV advertising channel over a certain period of time.
- **Customer Acquisition Cost (CAC): Direct Mail** – The total cost of direct mail campaigns divided by the number of new customers acquired through the direct mail channel over a certain period of time.
- **Customer Acquisition Cost (CAC): Outside Ads** – The total cost of outside marketing campaigns (e.g., billboards) divided by the number of new customers acquired through outside ads over a certain period of time.
- **Customer Acquisition Cost (CAC): Print** – The total cost of print advertising campaigns (i.e., newspapers, magazines) divided by the number of new customers acquired through the print advertising channel over a certain period of time.
- **Customer Acquisition Cost (CAC): Radio** – The total cost of radio marketing campaigns divided by the number of new customers acquired through the radio advertising channel over a certain period of time.

**To download the full document,
add this product to your shopping cart
and complete the purchase process.**

